

**Cheryl R. Winn**  
**Attorney At Law**

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March 1, 2006

**RECEIVED**

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**PUBLIC SERVICE  
COMMISSION**

Ms. Beth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

RE: KPSC Case No. 2006-00063  
Review of BellSouth Telecommunications, Inc.'s, Regulations  
Regarding Changing Classification of Services

Dear Ms. O'Donnell:

The Commission initiated the above-captioned case by Order dated February 17, 2006, to review a tariff filed by BellSouth to implement the Commission's decision allowing all ILECs and CLECs to file tariff changes on 15 days' notice to the Commission instead of 30 days' notice. The Commission had a concern with one of BellSouth's changes, specifically A36.1.3.A.1, which changed the review period for reclassification of services from 30 days to 15 days.

On February 28, 2006, BellSouth made an electronic tariff filing (PSC # TFS 2006-00336) with the Commission that changes the Commission's review period for reclassification of services back to 30 days' notice, which was the Commission's concern and the subject of this proceeding. Eleven copies of the filing are enclosed for filing in this case. BellSouth will not make any further filings in this case unless required to do so by the Commission.

Please contact me if there are any questions.

Very truly yours,

  
Cheryl R. Winn

Enclosure

cc: Parties of Record

623823



BellSouth Telecommunications, Inc.  
601 W. Chestnut Street  
Room 410  
Louisville, KY 40203

[Joan.Coleman@bellsouth.com](mailto:Joan.Coleman@bellsouth.com)

Joan A. Coleman  
Vice President  
Regulatory & External Affairs

502-582-2167  
Fax 502-582-2140

February 28, 2006

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602-0615

Dear Ms. O'Donnell:

On June 16, 2005 BellSouth filed revised tariff pages in Sections A2 and A36 of the General Subscriber Services Tariff which changed the tariff language for filing promotions and tariffs to conform with the Commission's April 29, 2005 order in Case No. 2002-00276. This tariff page carried an effective date of July 1, 2005.

On February 17, 2006 the Commission issued an Order establishing Case No. 2006-00063 which expressed concern with a change filed in Section A36.1.3.A.1 that changed the review period for reclassification of services from thirty (30) days to fifteen (15) days. With its June 16, 2005 filing, BellSouth's intent was to adjust those dates considered to be associated with tariff notification intervals and was not intended to enact changes the Commission considers as policy changes to BellSouth's regulation plan. This filing changes the Commission's review period back to thirty (30) days. We regret any inconvenience this matter may have caused the Commission and trust the revised filing of A36, Page 1 will satisfy and resolve any concerns associated with this matter.

If there are any questions or the need for additional information concerning this proposal, please call Joan Duncan at 502-582-8416.

Very truly yours,

A handwritten signature in cursive script that reads "Joan A. Coleman".  
Joan A. Coleman



BellSouth Telecommunications, Inc.  
601 W. Chestnut Street  
Room 410  
Louisville, KY 40203

[Joan.Coleman@bellsouth.com](mailto:Joan.Coleman@bellsouth.com)  
[jcoleman6@imcingular.com](mailto:jcoleman6@imcingular.com)

Joan A. Coleman  
Vice President  
Regulatory & External Affairs

502-582-2167  
Fax 502-582-2140

February 28, 2006

Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

Dear Ms. O'Donnell:

Pursuant to the rules governing tariffs effective August, 2004, I hereby certify that I am the Regulatory Vice President of BellSouth Telecommunications, Inc., a utility furnishing telephone service within the Commonwealth of Kentucky, which on the twenty-eighth day of February 2006, issued a revised sheet of its Intrastate Tariff to be effective March 15, 2006, and canceling the previously effective sheets as follows:

**General Subscriber Services Tariff**

A36

Fourth Revised Page 1  
Cancels Third Revised Page 1

On the twenty-eighth day of February 2006, notice to the public of the issuing of same is being given in all respects as required by Regulation KAR 5:011.

Given under my hand this twenty-eighth day of February 2006.

Very truly yours,

A handwritten signature in cursive script that reads "Joan A. Coleman".  
Joan A. Coleman

## A36. TRANSITION REGULATION PLAN

### A36.1 Company Transition Regulation Plan

#### A36.1.1 General

- A. The following rules shall govern the operations of BellSouth Telecommunications, Inc. (the Company) and its regulation by the Kentucky Public Service Commission (the Commission). This Tariff applies to all regulated services filed with the Commission as listed in A36.1.4.
- B. Objectives of the Transition Regulation Plan (the Plan).  
The objectives of the Plan shall be to:
  - 1. Ensure basic service continues to be available at reasonable rates, and shield the basic ratepayer from significant price increases resulting from the changing marketplace.
  - 2. Continue to provide high quality service.
  - 3. Permit the Commission and the Company to direct their energies to meet customer's needs and enhance efficiency in the provision of telecommunications services throughout Kentucky.
  - 4. Provide enhanced incentives to invest in new technologies and services.
  - 5. Permit the Company the added flexibility to price competitive services, set depreciation rates, and respond to a changing marketplace.
  - 6. Permit all Company retail rates to move toward incremental cost or market price.
  - 7. Ensure that the potential introduction of competition to all markets in Kentucky is not hindered by the Plan.
- C. Pursuant to the Commission's June 29, 2004 order in Case No. 2003-00304, BellSouth will reduce its band zone charge of \$5.20 (Section A3.9) to \$2.60 effective August 1, 2004; BellSouth will reduce its band zone charge of \$2.60 to \$1.30 effective August 1, 2005; and BellSouth will eliminate its band zone charge of \$1.30 effective August 1, 2006.
- D. On August 1, 2004 and on August 1 of each year during which this plan is effective, BellSouth will file an annual report of competition in its service area in the form specified in the Commission's June 29 order in Case No. 2003-00304.

#### A36.1.2 Definitions

- A. Term – This Plan is permanent, subject to a review by the Commission that will begin on June 29, 2009.
- B. Classification of services - There are three service categories: 1) Industrial, 2) Access, and 3) Retail. See A36.1.4 for the classification of each existing Company service into one of the three service categories.
  - 1. Industrial services are those non-access services that are provided on a wholesale basis to other telecommunications companies (these include Unbundled Network Elements [UNEs] and the resale discount). Also included in the industrial category are Lifeline rates and the Universal Service Fund (USF) rate elements.
  - 2. Access services are Switched and Special Access services as defined in the Access Services (E) Tariff.
  - 3. Retail services are all other services that are not classified as Industrial or Access services.
- C. New Service – A new service is a function, feature, capability, facility, or combination of these, which previously has not been offered.

#### A36.1.3 Regulations

- A. Changing Classification
  - 1. The Company is permitted to reclassify services by applying to the Commission. The Commission has *thirty (30)* days to review the request for reclassification and either approve or suspend the request. If the Commission takes no action within *thirty (30)* days, the reclassification is deemed approved. When a request for reclassification is suspended, Commission regulations and Kentucky law are applicable to any further Commission action. (C)
- B. Tariff Requirements
  - 1. Terms and conditions of existing tariffed services are deemed approved and govern the contractual relationship between the Company and its customers.
  - 2. All services must cover long run incremental costs except as noted in A36.1.3.B.3.
  - 3. The Company may in good faith file for prices below long run incremental cost to meet the equally low price of a competitor. The Company shall file evidence that competitors are charging rates below the Company's long run incremental cost for the service. If the competitive price threat vanishes, within thirty (30) days, the Company shall increase its price to cover the long run incremental cost of the service.

**CERTIFICATE OF SERVICE**

It is hereby certified that a true and correct copy of the foregoing was served on the individuals on the attached service list by mailing a copy thereof, this 1st day of March, 2006.

  
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Cheryl R. Winn

**SERVICE LIST – PSC 2006-00063**

Dennis G. Howard, II  
Assistant Attorney General  
1024 Capital Center Drive  
Frankfort, KY 40601 8204

Hon. David Eppsteiner  
AT&T Communications  
4th Floor, Room 4W26  
1230 Peachtree Street, N.E.  
Atlanta, GA 30309

Garry L. Sharp  
State Manager  
AT&T Communications of the South  
Central States  
1200 Peachtree Street, N.E.  
Suite 8100  
Atlanta, GA 30309

Hon. C. Kent Hatfield  
Hon. Douglas F. Brent  
Stoll Keenon Ogden, PLLC  
2650 Aegon Center, 400 W. Market St.  
Louisville, KY 40202

Martha P. McMillin  
MCI Telecommunications Corp.  
6 Concourse Parkway, Suite 3200  
Atlanta, GA 30328

Ben W. Fincher, Esq.  
Sprint Communications Co., L.P.  
3065 Cumberland Cir. SE  
Mailstop GAATLD0602  
Atlanta, GA 30339

Hon. John N. Hughes  
Attorney at Law  
124 W. Todd St.  
Frankfort, KY 40601

Laura Clore  
Eric Kremer  
One Call Communications, Inc.  
d/b/a OPTICOM  
801 Congressional Blvd., Suite 100  
Carmel, IN 46032

Julie Davis  
Regulatory Manager  
BLT Technologies, Inc.  
c/o MCI WorldCom, Inc.  
6 Concourse Parkway  
Suite 3200 Atlanta, GA 30328

Carl Jackson  
ICG Telecom Group, Inc.  
P. O. Box 6742  
161 Inverness Drive, West  
Englewood, CO 80112

Jennifer Goldston  
Michael G. Hoffman  
VarTec Telecom, Inc.  
d/b/a Clear Choice Communications  
2440 Marsh Lane  
Carrollton, TX 75006

Carol P. Kuhnnow  
Regional Director, Policy & Law  
Qwest Services Corp.  
5th floor  
4250 North Fairfax Drive  
Arlington, VA 22203

Darrell Maynard, President  
Southeast Telephone, LTD  
106 Power Drive  
Pikeville, KY 41502 4150

Kathleen M. James  
1220 Hawthorne Lane  
Lawrenceburg, KY 40342

Larry Barnes  
Director of Regulatory Affairs  
BroadWing Telecommunications, Inc.  
1122 Capital of Texas Highway South  
Austin, TX 78746-6426

Jonathan N. Amlung  
AMLUNG Law Offices  
616 South 5th Street  
Louisville, KY 40202

Honorable Richard M. Breen  
2950 Breckenridge Lane, Suite 3  
Louisville, KY 40220

Charles (Gene) Watkins, Esq.  
Senior Counsel  
Covad Communications Company  
1230 Peachtree Street, NE, 19th Floor  
Atlanta, GA 30309

Dr. Marvin Kahn  
Exeter Associates, Inc.  
5565 Sterrett Pl., Suite 310  
Columbia, MO 21044-2690

Deborah Barrett  
Vice President – Regulatory  
One Call Communications, Inc.  
d/b/a AdvanTel, et al.  
Suite 100  
801 Congressional Blvd.  
Carmel, IN 46032

Dr. Mark Cooper  
Citizens Research  
504 Highgate Terrace  
Sliver Spring, MD 20904

Hon. W. Brent Rice  
Attorney-at-law  
McBrayer, McGinnis, Leslie & Kirland, PLLC  
201 East Main Street, Suite 1000  
Lexington, KY 40507

Hugh Larkin, Jr.  
Larkin & Associates, PLLC  
15728 Farmington Road  
Livonia, MI 48154

Hon. Thomas A. Marshall  
Attorney At Law  
212 Washington Street  
P.O. Box 223  
Frankfort, KY 40601

Hon. Holland N. McTyeire, V  
Greenebaum, Doll & McDonald, PLLC  
3300 National City Tower  
101 South Fifth Street  
Louisville, KY 40202-3197